

Message Text

PAGE 01 STOCKH 04702 181342Z

44

ACTION OES-05

INFO OCT-01 EUR-12 IO-10 ISO-00 ACDA-10 CIAE-00 INR-07

L-03 NSAE-00 NSC-05 EB-07 NRC-07 FEAE-00 DODE-00

ERDA-07 PM-04 H-02 PA-02 PRS-01 SP-02 SS-15 USIA-15

COME-00 INT-05 OMB-01 TRSE-00 /121 W
----- 020685

R 181300Z SEP 75

FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 5709
INFO USMISSION EC BRUSSELS
USMISSION IAEA VIENNA

UNCLAS STOCKHOLM 4702

E.O. 11652: N/A

TAGS: TECH, SW

SUBJECT: WESTINGHOUSE URANIUM CONTRACT RENEGOTIATIONS IN SWEDEN

1. ON SEPTEMBER 10, 1975, SWEDISH NEWSPAPERS REPORTED A WESTINGHOUSE NOTICE TO THE SWEDISH STATE POWER BOARD, THE SOUTHERN POWER GROUP, AND OSKARSHAMN POWER GROUP, THAT A RENEGOTIATION OF WESTINGHOUSE'S LONG-TERM CONTRACT TO DELIVER URANIUM WOULD BE NECESSARY. THE REASON CITED WAS THE INCREASE IN THE PRICE PER POUND OF URANIUM FROM \$8 TO \$24 IN THE LAST TWO TO THREE YEARS. THE FRENCH COMPANY, URANEX, ALSO NOTIFIED SWEDISH ENERGY AUTHORITIES THAT RENEGOTIATION OF THEIR CONTRACT WITH SWEDEN WAS DESIRED.

2. WESTINGHOUSE REPRESENTATIVES ARE HOLDING MEETINGS PRESENTLY WITH SWEDISH POWER OFFICIALS TO EXPLAIN THE REASON FOR THE DECISION AND TO PROPOSE A PLAN OF ACTION TO ATTEMPT TO SATISFY THEIR SWEDISH CUSTOMERS.

3. COMMENT: WESTINGHOUSE'S BID TO RENEGOTIATE ITS URANIUM CONTRACT COMES AT A VERY BAD TIME. SWEDEN'S NUCLEAR POWER PROGRAM IS UNDER ATTACK BY VOCIFEROUS ANTINUCLEAR UNCLASSIFIED

PAGE 02 STOCKH 04702 181342Z

GROUPS. THE PUBLICITY INCIDENT TO CONTRACT RENEGOTIATION MAY BE USED BY THESE ANTINUCLEAR FORCES TO WEAKEN PUBLIC SUPPORT OF THE GOVERNMENT'S ENERGY PROGRAM. THE NEWSPAPERS, WHOSE POLICY APPEARS TO BE TO REPORT EVERY MINOR MECHANICAL DEFECT IN

THE FIVE OPERATING NUCLEAR POWER STATIONS, ARE EXPECTED TO INCREASE THEIR CRITICISM OF THE GOVERNMENT'S NUCLEAR POWER PROGRAM AND ENERGY POLICY. THERE HAVE BEEN NO ANTI-AMERICAN OVERTONES IN THE NEWSPAPER ACCOUNTS OF WESTINGHOUSE'S ACTION TO DATE. THIS INCIDENT MAY STIMULATE A MORE RAPID DEVELOPMENT OF SWEDEN'S RAMSTAD URANIUM MINING OPERATION - A PROJECT ALREADY UNDERWAY WITH THE SUPPORT OF THE STATE POWER BOARD, THE LUOSSAVAARA-KIIRUNAVAARA MINING COMPANY, AND THE BOLIDEN MINING COMPANY. JOHNSON

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

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Disposition Comment:
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Disposition Event:
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